

**FIRST AMENDMENT TO AGREEMENT
REGARDING GOLF COURSE PROPERTY MAINTENANCE**

The First Amendment to Agreement is by and between the CITY OF MORENO VALLEY, a municipal corporation, hereinafter referred to as "City," and ROC III CA Belago, LLC, a Delaware limited liability company, hereinafter referred to as "Owner." This First Amendment to Agreement is made and entered into effective on the date the City signs this Amendment.

RECITALS:

Whereas, the City and Owner entered into an Agreement entitled "AGREEMENT REGARDING GOLF COURSE PROPERTY MAINTENANCE" hereinafter referred to as "Agreement," dated November 2018.

SECTION 1 AMENDMENT TO ORIGINAL AGREEMENT:

1.1 Paragraph 1 of the Agreement is hereby Amended to read as follows:

"Operations. Owner, prior to receipt of any building permits for the Multifamily Parcel, shall open and operate an 18-hole golf course on the Golf Course Parcel. Owner may operate the golf course using a temporary clubhouse until such time that a permanent golf course clubhouse has been completed. No Certificates of Occupancy shall issue for any portion of the Multifamily Parcel until such time that a permanent golf course clubhouse has been completed, approved by City and open to the public."

1.2 Paragraph 3 of the Agreement is hereby Amended to read as follows:

"Performance Guarantee. In order to guarantee performance under Section 2 above, upon opening of the Golf Course and prior to issuance of any building permit for vertical construction of any multifamily building on the Multifamily Parcel (for the avoidance of doubt, any grading, utility, off-site, planning or other preliminary permit issued prior to the aforementioned building permit shall not be deemed a building

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permit for purposes of this Agreement), Owner shall deposit into an account controlled by the City and agreed upon by the Parties (the "Golf Course Account"), a sum of Eight Hundred Thousand Dollars \$800,000 in cash (the "Cash Deposit"), and shall post a payment bond or other security for the benefit of the City in a form reasonably approved by the City, in the amount of Three Million Two Hundred Thousand Dollars (\$3,200,000.00) (the "Bond"). The Deposit and the Bond collectively represent an amount necessary to satisfy the total estimated maintenance cost of the Golf Course over the Term, which the parties agree shall be Four Hundred Thousand Dollars (\$400,000) for each year of the Term. The annual cost does not include the cost of water and Owner shall cause to be recorded on title a document which would guarantee the City access to the well water that was used to water the prior golf course. In addition to the aforementioned Eight Hundred Thousand Dollar (\$800,000) cash deposit, Owner shall deposit with City a separate cash deposit of Thirty-Five Thousand Dollars (\$35,000) to be held for the initial eight (8) years of the Term of this Agreement which City may use only for reimbursement for costs associated with enforcement of any breach and collection upon any bond. At the end of the initial 8 years of the Term, when the bond obligation hereunder shall have been deemed fully satisfied, so long as Owner has not breached the terms of this Agreement, City shall return the Thirty-Five Thousand Dollars (\$35,000) cash deposit to Owner. The Bond shall be for an initial period of two years, and shall be renewed or replaced at the end of each two-year period for three (3) successive two (2) year periods, and shall finally expire at the end of the eighth year of the Term. Failure of Owner to provide a new bond or cash security ninety (90) days before the expiration of any bond term shall be deemed a material breach by Owner and subject the active bond to be called by City upon Notice by the City and at least fifteen (15) days opportunity to cure. If no new bond has been provided to City by the end of the cure period or within thirty (30) days of the expiration of any bond, City may call the then active bond, regardless of whether or not prior notice had been given. Each year the Golf Course remains in operation during the Term, the Bond shall be reduced by a sum of Four Hundred Thousand Dollars (\$400,000). After the end of the eighth year of the Term, the Bond obligation hereunder shall have been fully satisfied and the Bond shall thereafter be deemed to be no longer outstanding hereunder. At the end of each of the remaining two years of the Term, the City shall disburse a sum of Four Hundred Thousand Dollars (\$400,000) from the Cash Deposit for that year to Owner. In the event that Owner sells the Golf Course Parcel or the Multifamily Parcel to an independent third party prior to the expiration of the Term, Owner shall deposit a cash sum equal to the balance of the Bond into the Golf Course Account, and the Bond shall thereafter be deemed to be no longer outstanding hereunder. The City's right to access the Property and to maintain and repair any water wells or pipes wherever located for irrigation purposes shall be a condition of approval for the Specific Plan Amendment and recorded in a form agreed to by the parties within thirty (30) days of execution of this Agreement."

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1.3 This Amendment and the Agreement shall be recorded in the official real estate records for the County of Riverside upon both the Golf Course Parcel and the Multifamily parcel.

SECTION 2

2.1 Except as otherwise specifically provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

SIGNATURE PAGE TO FOLLOW

Date _____

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